

EXHIBIT 18



United States Patent and Trademark Office

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[Home](#) | [Site Index](#) | [Search](#) | [FAQ](#) | [Glossary](#) | [Guides](#) | [Contacts](#) | [eBusiness](#) | [eBiz alerts](#) | [News](#) | [Help](#)

Patents > Office of the Deputy Commissioner for Patent Examination Policy > Proposed Rule Changes to Focus the Patent Process in the 21st Century

Proposed Rule Changes to Focus the Patent Process in the 21st Century

- 1. Claims Practice
 - 2. Continuation Practice
 - 3. Accelerated Examination
 - 4. IDS Practice
- [Presentation Materials](#)
[Presentation Schedule](#)

>> Find more links to Rulemaking, Policy and Law for USPTO

Background

The U.S. Patent and Trademark Office (USPTO) continues to propose new initiatives to make its operations more efficient, to ensure that the patent application process promotes innovation, and to improve the quality of issued patents. These pages have been developed to provide full transparency to the public about these ongoing efforts.

On July 10, 2006, the USPTO proposed new rule changes related to Information Disclosure Statements. Applicants list information for the examiner to consider in a communication called an Information Disclosure Statement (IDS). These proposed IDS rule changes are designed to encourage patent applicants to provide the USPTO the most relevant information related to their inventions in the early stages of the review process.

On June 26, 2006, the USPTO published new procedures for accelerated examination and made these procedures effective on August 25, 2006. These accelerated examination procedures offer filers a final decision by the examiner within 12 months on whether their application for a patent will be granted or denied, and are designed to give applicants quality patents in less time.

The USPTO inaugurated these pages with information about rule changes proposed on January 3, 2006 related to claims practice and continuation practice. These proposed rule changes will make the patent examination process more effective and efficient by reducing the amount of rework by the USPTO and reducing the time it takes for the patent review process.

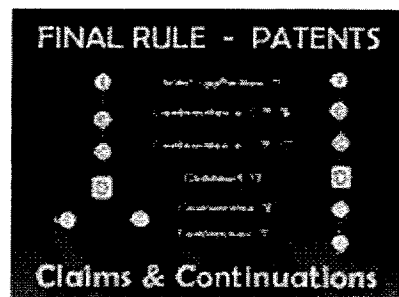
The information below includes an explanation of the challenges the USPTO faces, the reasons why proposed rule changes are necessary, the proposed rule changes, and supporting material. Additionally, the information below includes a schedule of dates and places where USPTO representatives have made presentations concerning the proposed rule changes, and scheduling information for new presentations. These pages will be updated as new information or proposals are unveiled.

No rule change will be effective before October 1, 2006, and at least 30 days advance notice of the changes shall be given.

USPTO Requesting More Timely and Useful Information Disclosure Statements (IDSs)

As part of its ongoing efforts to promote investment in innovation and spur economic growth, the USPTO announced on July 10, 2006, new proposed IDS rule

TOP NEWS ...



>> Claims and Continuations Final Rule Information, Preliminary Injunction (01NOV2007)

Proposed Rule (10AUG2007)
>> USPTO proposes new measure to require applicants to identify, with more specificity, the claimed invention to be examined

changes that would encourage patent applicants to provide the USPTO the most relevant information related to their inventions in the early stages of the review process. As a result, patent applications could be processed in a more streamlined and effective manner.

The USPTO has observed that applicants sometimes provide information in a way that hinders rather than helps timely, accurate examination. For example, some applicants send a very large number of documents to the examiner, without identifying why they have been submitted, thus tending to obscure the most relevant information. Additionally, some applicants send very long documents without pointing out what part of the document makes it relevant to the claimed invention. Sometimes applicants delay sending key information to the examiner. These practices make it extremely difficult for the patent examiner to find and properly consider the most relevant information in the limited time available for examination of an application.

The proposed IDS rule changes are designed to address the above-mentioned issues by encouraging early submission of relevant information, and discouraging submission of information that is unimportant or does not add something new for the examiner to consider. With the proposed IDS rule changes, patent examiners would not have to review documents that do not directly relate to the claimed invention, or that duplicate other information already submitted.

USPTO to Give Patent Filers Accelerated Review Option

The USPTO published procedures on June 26, 2006, setting forth requirements for patent applicants who want, within 12 months, a final decision by the examiner on whether their application for a patent will be granted or denied. To be eligible for "accelerated examination," applicants who file under this procedure will be required to provide specific information so that review of the application can be completed rapidly and accurately.

Applicants have a duty to disclose to the USPTO material prior art of which they are aware, but are not required to search for prior art. Under the USPTO's accelerated examination procedure, applicants will be required to conduct a search of the prior art, to submit all prior art that is closest to their invention, and explain what the prior art teaches and how their invention is different.

In addition to providing and explaining any prior art references, applicants must explicitly state how their invention is useful and must show how the written description supports the claimed invention. The proposal also limits the number of claims allowed in each application and shortens the time periods for responding to most USPTO communications.

The accelerated examination procedure is designed to give applicants quality patents in less time. In exchange for quick examination, patent examiners will receive more focused and detailed information about the invention and the closest prior art from the applicants. This increased disclosure upfront by applicants will help examiners more quickly make the correct decision about whether a claimed invention deserves a patent.

USPTO Focused on New Rules on Claims and Continuations at Meetings Across the Nation

Between February 1 and the end of April at meetings around the country, representatives of the USPTO provided thousands of patent attorneys, patent agents, independent inventors and members of the small business community with background information regarding proposed rule changes related to claims and continuation. Additionally, USPTO convened three meetings on the topic. The USPTO meetings were held in Chicago on February 1st, in Berkeley on February

28th, and in Alexandria at the USPTO on April 25th.

Specifically, these initiatives will prioritize the claims reviewed during the examination process and better focus the agency's examination of patent applications by requiring applicants to identify the most important claims to the invention. Some continuations are necessary; however, an excessive number detracts from the agency's ability to examine new patent applications. Also, over 40% of new applications in FY 2004 had more than 20 claims. Although the initial examination of large numbers of claims may sometimes be necessary in certain complex applications, measures are needed to ensure they don't absorb a disproportionate amount of the limited time the USPTO has to review applications.

Complete slide set presented at the Chicago Town Hall Meeting (html version) (zip version)

For background and justification, see **slides 8-30 and 48-60**.

For proposals on continuations, see **slides 31-38 and 72-85**.

For proposals on claims, see **slides 39-47 and 61-71**.

(top of page)

1. Claims Practice

Federal Register - 71 *Fed. Reg.* 61 (03 January 2006)

Official Gazette - 1302 OG 1329 (24 January 2006)

Topics: **Changes to Practice for the Examination of Claims in Patent Applications, Notice of proposed rule making** (03Jan2006) [PDF]

Examples

Comments from Public

(top of page)

2. Continuation Practice

Federal Register - 71 *Fed. Reg.* 48 (03 January 2006)

Official Gazette - 1302 OG 1318 (24 January 2006)

Topics: **Proposed Changes to Practice for Continuing Applications, Requests for Continued Examination Practice, and Applications Containing Patentably Indistinct Claims, Notice of proposed rulemaking** (03Jan2006) [PDF]

Examples

Comments from Public

(top of page)

3. Accelerated Examination

Federal Register - 71 *Fed. Reg.* 36323 (26 June 2006)

Official Gazette

Topics: **Changes to Practice for Petitions in Patent Applications To Make Special and for Accelerated Examination, Notice (26Jun2006)** [PDF]

Slides: **Revised Accelerated Examination Program and Petition to Make Special Procedures (html version)(zip version)**

(top of page)

4. IDS Practice

Federal Register - 71 *Fed. Reg.* 38808 (10 July 2006)

Official Gazette

Topics: **Changes To Information Disclosure Statement Requirements and Other Related Matters (10 July 2006)** [PDF]

Executive Summary [PDF], **Detailed Summary** [PDF]

Slides: **IDS NPR (html version)(zip version)**
The Four Time Periods for Submitting an IDS and Their Corresponding Requirements (html version)(zip version)
Application Prosecution Timeline (html version)(zip version)

Comments from Public

(top of page)

Presentation Materials

In addition to the Chicago Town Hall slides described and available above, the following presentation materials are available:

Slides (25 January 2006 presentation by James Toupin regarding background and justification) (**html version**) (**zip version**)

Slides (25 January 2006 presentation by Robert Spar regarding Claims Practice) (**html version**) (**zip version**)

Slides (25 January 2006 presentation by Robert Spar regarding Continuation Practice) (**html version**) (**zip version**)

Slides (29 March 2006 presentation by Robert Spar regarding Claims Practice and Continuation Practice) (**html version**) (**zip version**)

(top of page)

Presentation Schedule

Additional Town Hall meetings sponsored by the USPTO. Check www.uspto.gov for additional information or contact the Office of Public Affairs at 571-272-8400.

02/28/2006 - Boalt Hall School of Law - Berkeley, CA
 03/22/2006 - University of Houston Law Center - Houston, TX
 04/25/2006 - USPTO - Alexandria, VA

The following is a list of events that are *not* sponsored by the USPTO, but USPTO representatives will make (or have made) presentations. For more information on these events, please contact the sponsor unless otherwise identified below.

02/11/2006 - ABA Counsel - Chicago, IL
 02/13/2006 - Orange County Bar Assoc. - Newport Beach, CA
 02/14/2006 - Century City Bar Assoc. - Century City, CA
 02/17/2006 - Duke Law School - Durham, NC
 02/23/2006 - Franklin Pierce Law School - Concord, NH (contact: 603-228-1541 ext 1150)
 02/28/2006 - Federal Circuit Bar Assoc. - Washington, DC
 03/09/2006 - Biotechnology Industry Org. - San Francisco, CA (contact: www.bio.org/ip/ipmeeting)
 03/20/2006 - State Bar of Michigan Intellectual Property Law Section - East Lansing, MI (contact: 877-229-4350)
 03/29/2006 - Connecticut Intellectual Property Law Assoc. - New Haven, CT (contact: 860-286-2929)
 04/05/2006 - Georgetown Law Center - Washington, DC
 04/07/2006 - American Intellectual Property Law Assoc. - New York, NY (contact: www.aipla.org)
 04/12/2006 - Biotechnology Industry Org. - Chicago, IL (contact: www.bio.org)
 04/19/2006 - Patent Lawyers Club of Washington - Rosslyn, VA (contact: 202-478-5300)
 04/28/2006 - Tennessee Bar Assoc. Intellectual Property Forum - Nashville, TN (contact: www.tba.org)
 07/17/2006 - National Assoc. of Patent Practitioners - Alexandria, VA (contact: www.napp.org)
 07/18/2006 - George Mason Univ. School of Law - Arlington, VA (contact: 202-824-3246)

(top of page)

NOTE: The information contained on this page was correct at the time of original publication. Some information may no longer be applicable. Amendments may have been made to the rules of practice since the original date of a publication, there may have been a change in any fees indicated, and certain references to publications may no longer be valid. Wherever there is a reference to a statute or rule, please check carefully whether the statute or rule in force at the date of publication of the information has since been amended.

For questions concerning the proposals, please contact the Office of Patent Legal Administration at 571-272-7701 or Patent.Practice@uspto.gov.

Some contents linked to on this page require a plug-in for **ZIP**, **PDF** and **PowerPoint** Files.

KEY: =online business system =fees =forms =help =laws/regulations =definition (glossary)

The Inventors Assistance Center is available to help you on patent matters. Send questions about USPTO programs and services to the USPTO Contact Center (UCC). You can suggest USPTO webpages or material you would like featured on this section by E-mail to the webmaster@uspto.gov. While we cannot promise to accommodate all requests, your suggestions will be considered and may lead to other improvements on the website.

[.HOME | SITE INDEX | SEARCH | eBUSINESS | HELP | PRIVACY POLICY

